

March 15, 2017

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Dear Ms. Boyd:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.
Docket No. 2016-7-G

Pursuant to Section 58-5-430 of the South Carolina Code of Laws (Natural Gas Rate Stabilization Act), enclosed is the quarterly monitoring report for the twelve-month period ending December 31, 2016, for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4259.

Sincerely,

/s/ Pia Powers

Director – Gas Rates & Regulatory Affairs

Enclosures

cc: Bruce Barkley
Jeff Nelson
James H. Jeffries IV
Brian Franklin

Net Operating Income and Rate of Return
For The Twelve Months Ended December 31, 2016
South Carolina
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	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 124,116,507	\$ 11,473,308	\$ 135,589,815
Other Operating Revenues	796,152	-	796,152
Total Operating Revenue	<u>\$ 124,912,659</u>	<u>\$ 11,473,308</u>	<u>\$ 136,385,967</u>
Operating Expenses			
Cost of Gas	\$ 51,835,169	\$ 6,396,224	\$ 58,231,393
Other Operation & Maintenance	36,192,559	(1,625,463)	34,567,096
Depreciation	12,702,045	(556,095)	12,145,950
General Taxes	6,718,227	52,065	6,770,292
State Income Taxes	360,994	557,362	918,356
Federal Income Taxes	2,138,715	3,968,349	6,107,064
Amort. of ITC	(19,767)	-	(19,767)
Total Operating Expenses	<u>\$ 109,927,941</u>	<u>\$ 8,792,442</u>	<u>\$ 118,720,383</u>
Net Operating Income	<u>\$ 14,984,718</u>	<u>\$ 2,680,866</u>	<u>\$ 17,665,584</u>
Interest on Customer Deposits	(88,715)	-	(88,715)
Amortization of Debt Redemption Premium	-	-	-
AFUDC	281,656	-	281,656
Customer Growth	112,385	20,106	132,492
Net Operating Income For Return	<u>\$ 15,290,044</u>	<u>\$ 2,700,972</u>	<u>\$ 17,991,016</u>
Original Cost Rate Base			
Plant in Service	\$ 522,137,950	\$ -	\$ 522,137,950
Accumulated Depreciation	(216,059,738)	-	(216,059,738)
Net Plant in Service	<u>\$ 306,078,212</u>	<u>\$ -</u>	<u>\$ 306,078,212</u>
Add:			
Construction Work in Progress	45,078,086	-	45,078,086
Materials and Supplies	7,275,269	-	7,275,269
Cash Working Capital	4,490,518	(203,183)	4,287,335
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,010,576	-	2,010,576
Accumulated Deferred Income Taxes	67,730,473	-	67,730,473
Unclaimed Funds	106,147	-	106,147
Total Original Cost Rate Base	<u>\$ 293,074,889</u>	<u>\$ (203,183)</u>	<u>\$ 292,871,706</u>
Return on rate base	<u>5.22%</u>		<u>6.14%</u>

Net Operating Income and Rate of Return
For The Twelve Months Ended December 31, 2016
South Carolina
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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	After Accounting and Proforma Adjustments								
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Calculated Ratio %	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 1,781,504,696	\$ -	\$ 1,781,504,696	51.58%	47.00%	\$ 137,649,702	4.72%	2.22%	\$ 6,497,066
2. Common Equity	1,672,132,932	-	1,672,132,932	48.42%	53.00%	155,222,004	7.40%	3.92%	11,493,951
3. Total	<u>\$ 3,453,637,628</u>	<u>\$ -</u>	<u>\$ 3,453,637,628</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 292,871,706</u>		<u>6.14%</u>	<u>\$ 17,991,016</u>

CERTIFICATION

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

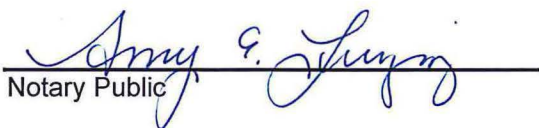


Lynn J. Good
Chairman, President and CEO



Date Signed

Subscribed and Sworn to before me this
8th day of march, 2017.



Notary Public

My Commission Expires 11/16/17.



CERTIFICATION

I, Steven K. Young, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

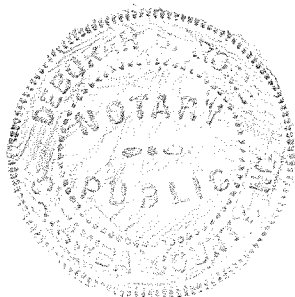
Steven K. Young
Steven K. Young
Executive Vice President and CFO

3/2/17
Date Signed

Subscribed and Sworn to before me this
2 day of March, 2017.

Deborah S. Rome
Notary Public Deborah S. Rome

My Commission Expires January 24, 2020



CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached document is being served this date via email and UPS Overnight upon:

Jeffrey M. Nelson
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jnelson@regstaff.sc.gov

And that a copy of the attached document is being served this date via email or U.S. Mail upon:

Bruce Barkley
Vice President
Regulatory and Community Relations
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
bruce.barkley@piedmontng.com

and

Pia Powers
Director – Gas Rates & Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 15th day of March, 2017.

/s/ Richard K. Goley
Richard K. Goley